SUPREME COURT OF THE UNITED STATES.

No. 312.—October Term, 1925.

Western Paper Makers' Chemical Co. et al., *vs.* United States of America et al.	Appeal from the District Court of the United States for the Western District of Michigan.

[May 24, 1926.]

Mr. Justice Brandeis delivered the opinion of the Court.

This suit against the United States and the Interstate Commerce Commission was brought in the federal court for western Michigan to enjoin in part, and to modify, certain orders of the Commission, which established through rates on rosin from Atlantic and Gulf ports to Kalamazoo and Grand Rapids, Michigan. The proceedings before the Commission originated in tariffs filed during 1923 by carriers operating in Southeast and Mississipi Valley territory. By these tariffs a comprehensive revision of rates on naval stores, including rosin, from all such points of production was proposed. Shippers, including these plaintiffs, protested. The proposed rates were suspended; and extensive hearings in which the plaintiffs participated were held. An order was entered requiring cancellation of the filed tariffs. A new schedule of rates, including those complained of by plaintiffs, was finally authorized. *Naval Stores from Southern Producing Points to Various Destinations*, 87 I. C. C. 740; 89 I. C. C. 634. Upon specific exceptions filed by the plaintiffs to the Kalamazoo and Grand Rapids rates as proposed in the report of the Examiner, the Commission found that these rates were neither unreasonable nor unjustly discriminatory. *Western Paper Makers' Chemical Co.* v. *Director General*, 91 I. C. C. 223. The new rates to those cities are higher than the rates previously in effect. The Kalamazoo rates from Gulf ports are higher than those to Chicago; the

Grand Rapids rates from Gulf ports are higher than those to Milwaukee.

The case was heard in the District Court before three judges upon application for an interlocutory injunction. The plaintiffs claimed that the order was void in part, because the evidence introduced before the Commission did not justify the increased rates from Atlantic and Gulf ports to Kalamazoo and Grand Rapids; because the establishment of rates from Gulf ports to these cities higher than those enjoyed by competing manufacturers at Chicago and Milwaukee was unjust discrimination against Kalamazoo and Grand Rapids; and because the new rates involved a violation of the long and short haul clause of § 4 of the Interstate Commerce Act. The court found against the plaintiffs on each of their contentions and denied the injunction. 7 F. (2d) 164. Upon submission of the case for final hearing a decree dismissing the bill was entered on January 3, 1925. A direct appeal to this Court was taken under the Act of October 22, 1913, c. 32, 38 Stat. 208, 220. The record included all the evidence introduced before the Commission. Pursuant to an order of this Court, made on a motion of the plaintiffs for diminution of the record, counsel agreed upon a short statement of the whole evidence sufficient to enable this Court to consider whether there was any evidence to support the findings of the Commission.

The objections as presented here in brief and argument were addressed mainly to the soundness of the reasoning by which the Commission reached its conclusions. It was urged that these are inconsistent with conclusions reached by it in similar cases; that the findings are inconsistent with some views expressed in its reports in this proceeding; that some evidence was improperly considered; and that inferences drawn from some of the evidence were unwarranted. These objections we have no occasion to discuss. The determination whether a rate is unreasonable or discriminatory is a question on which the finding of the Commission is conclusive if supported by substantial evidence, unless there was some irregularity in the proceeding or some error in the application of the rules of law. *Skinner & Eddy Corporation* v. *United States*, 249 U. S. 557, 562; *New England Divisions Case*, 261 U. S. 184, 204. No such irregularity or error is shown. In making

its determinations the Commission is not hampered by mechanical rules governing the weight or effect of evidence. The mere admission of matter which under the rules of evidence applicable to judicial proceedings would be deemed incompetent does not invalidate its order. *United States* v. *Abilene & Southern Ry. Co.*, 265 U. S. 274, 288. There was ample evidence to support the finding that the joint through rates regarded as entireties were reasonable and justified. Prior existing rates, whether locals or such proportionate rates from a key point to points of destination as were made applicable to this particular class of traffic, or through rates upon other commodities moving from similar points of origin, are proper matters for consideration in establishing new through rates. To consider the weight of the evidence is beyond our province.

Among the objections urged here was this: The rate from New Orleans to Chicago was fixed at 37 cents; that to Kalamazoo at 39. The rate from New Orleans to Milwaukee was fixed at 39 cents; that to Grand Rapids at 40. One of the many routes from the southern ports to Chicago theretofore open, was via Cincinnati and Kalamazoo; one of those to Milwaukee was via Cincinnati and Grand Rapids. These routes had been rarely used. If retained, they would have violated the long and short haul clause of § 4 of the Interstate Commerce Act unless relief therefrom was granted by the Commission. See *United States* v. *Merchants, etc., Association*, 242 U. S. 178. That relief it refused; and, to remove this obstacle to the higher Kalamazoo and Grand Rapids rates, it directed that these routes should be abandoned. The plaintiffs insist that the Commission could not lawfully close an existing route in order to avoid a fourth-section violation. The authority exercised was clearly within the broad discretion vested in the Commission. Compare *Louisiana & Pine Bluff Ry. Co.* v. *United States*, 257 U. S. 114.

Affirmed.

A true copy.

Test:

Clerk, Supreme Court, U. S.